

Message Text

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PAGE 01 TEHRAN 02940 280415Z
ACTION NEA-10

INFO OCT-01 ISO-00 EB-08 /019 W
-----009202 280417Z /64
R 280307Z MAR 78
FM AMEMBASSY TEHRAN
TO USDOC WASHDC
INFO SECSTATE WASHDC 7571

UNCLAS TEHRAN 2940

E.O. 11652: N/A
TAGS: BBSR IR
SUBJ: WTDR/FTI: INDUSTRIAL CREDIT BANK OF IRAN (ICB)

REF. A. 77 USDOC 19594, B. USDOC 2232

1. IRAN
OFFICE USE: 2. 507 3. - 4. 01
5. INDUSTRIAL CREDIT BANK OF IRAN
6. ATESHKADEH AVE
7. TEHRAN
8. CONTACT MR ALINAGHI FARMANFARMAIAN
9. TITLE CHAIRMAN AND AMANAGING DIR
OTHER OFFICIALS ARE MR KHOSROW ZAMANI, DEP MANAGING
DIR
MOHAMMAD SARRAFZADEH, ASST MANAGING DIR
INTERNATIONAL
10. PHONE 301434-9 11. TELEX 212839 ICB IR
12. CABLE BANKSANATI IRAN
13. ESTABL 1956 14. EMPL 311 15. SIZE VERY LARGE
16. REPUTATION Y EXCELLENT 17. RPT DATE 3/78
18. NA 19. NA 29. NA
21. NA 22. NA
23A. 6020 GOVT INDUSTRIAL DEVELOPMENT
BANK
24. FOREIGN SALES NA
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25. FINANCIAL REFS BANK MARKAZI IRAN
26. TRADE REFS ICB AMERICAN CORRESPONDENTS:
CHASE MANHATTAN BANK NEW YORK, BANK OF AMERICA
CALIFORNIA, AMERICAN EXPRESS INTERNATIONAL
NEW YORK, PHILADELPHIA INTERNATIONAL
BANK PENNSYLVANIA
27. FOREIGN FIRMS REPRESENTED NA

28. POST EVALUSTION: ICB WAS STARTED IN 1956 AS GOVT BANK TO PROVIDE LONG AND MEDIUM TERM CAPTIAL AND MANAGEMENT ASSISTANCE TO IRANIAN PRIVATE INVESTORS WISHING TO EXPAND EXISTING ENTERPRISES OR CREATE NEW ONES. AS OF MARCH 1978, EQUITY WAS DOLS 125 MILLION, 90 PERCENT OWNED BY IRANIAN GOVT AND 10 PERCENT BY IRANIAN FOR FOREIGN SHAREHOLDERS. IT IS INTENDED THAT WITHIN 2 YEARS, 99 PERCENT OF ICB'S CAPITAL WILL BE SOLD TO THE PUBLIC, CHIEFLY THROUGH THE TEHRAN STOCK EXCHANGE, BUT THE GOVT OF IRAN WILL RETAIN EFFECTIVE MANAGEMENT CONTROL. ORIGINALLY DESIGNED TO ASSIST SMALL AND MEDIUM SCALE ENTREPRENEURS, IT HAS INSTEAD MOVED INTO LARGE SCALE PRIVATE PROJECTS: AVERAGE LOAN SIZE BETWEEN 1971 AND 1976 WAS 6.7 MILLION DOLS. BANK ASSISTS WITH PRE INVESTMENT STUDIES AND IS REPRESENTED ON BOARDS OF THOSE FIRMS IN WHICH IT HAS EQUITY HOLDING, BUT IT HAS NOT BEEN ABLE TO PROVIDE MANAGEMENT ASSISTANCE TO THEM AS INTENDED UNLESS THEY ARE EXPERIENCING DIFFICULTIES. FINANCIAL INFO: IN ADDITION TO EQUITY AND RESERVES (12 MILLION DOLS IN 76/77). ICB'S SOURCES OF CAPITAL INCLUDE GOVT LOANS (178 MILLION DOLS OUTSTANDING IN 76/77) AND UNCLASSIFIED

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EXTERNAL EURODOLLAR LOANS (DOLS 229 MILLION OUTSTANDING IN 76/77). PORTFOLIO IN 76/77 INCLUDED 676 MEDIUM TERM (UNDER 5 YEAR) LOANS VALUED AT 508 MILLION DOLS, 131 LONG TERM LOANS VALUED AT 258.8 MILLION, AND EQUITY IN SOME 60 FIRMS VALUED AT 141.7 MILLION DOLS, NINCLUDING 22 PERCENT EQUITY IN INTERNATIONAL BANK OF IRAN, CHASE MANHATTAN JOINT VENTURE. ICB'S LONG TERM DEBT EQUITY RATIO INCREASED FROM 3.4:1 IN 1975 TO 3.79:1 IN 1976 AND 3.9:1 IN 1977; THIS IS APPROACHING LEVEL 4:1 RECOMMENDED AS MAXIMUM IN 1974 IBRD LOAN TO ICB. LEGISLATION AUTHORIZING SALE OF ICB SHARES TO PUBLIC ALSO PERMITS MINISTRY OF IFNANCE TO GUARANTEE ICB EXTERNAL LOANS UPON REQUEST OF ICB, BUT ICB HAS DECIDED NOT TO REQUEST SUCH GUARANTEES AND HAS OBTAINED GUARANTEE WAIVERS FROM FOREIGN BANKS PARTICIPATING IN PREVIOUS EURODOLLAR LOANS. RECOMMENDATION: BECAUSE OF ITS ROLE IN PREPARING PRE INVESTMENT STUDIES, ICB HAS BEEN AND WILL BE IMPORTANT CONTACT FORM US SUPPLIERS OF CAPITAL EQUIPMENT. EMB RECOMMENDS ICB AS TRADE

CONTACT FOR US FIRMS.

29. PREP G P WILSON APPR DAVID E WESTLEY.
SULLIVAN

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NNN

Message Attributes

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Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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TAGS: BBSR, IR
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